

United Steelworkers of America

AFL-CIO • CLC

FIVE GATEWAY CENTER, PITTSBURGH, PA. 15222

I. W. Abel
President

May 6, 1977

Dear Fellow Steelworker:

This is my last letter to you as President of the United Steelworkers of America. It introduces a booklet explaining the 1977 Settlement with the ten major steel companies—a settlement which provides the *largest wage increases our Union has ever negotiated*, the most significant breakthroughs in income security in the past 20 years, and other major improvements in the basic steel contracts. I urge you to read and study the booklet carefully.

When I joined our Union in 1936 most of our members were actively interested in the Union. We found out the facts. We made up our own minds. We took time to go to meetings and participate in Union decisions and activities. Thus we built a strong organization which I've been proud to serve as a local union officer and International Union official. If you want a strong Union in the future you, too, must do what we did. *You must become a well-informed, active participant.* This booklet will help you become informed, because it presents the facts, not propaganda.

In 1965, when I was first elected International President, I became chief negotiator for our Union with the major steel companies. At that time the lowest rate of pay in a steel mill was \$2.28 an hour—\$4,742 for a full year's work. Effective May 1 of this year the lowest rate will be \$6.015 per hour plus 13¢ cost-of-living adjustment—or \$12,782 for a full year's work. True, the cost of living has risen 89% since 1965, but our lowest paid members have won increases of 170%.

Under the new Agreement described in this booklet the average Steelworker is expected to gain an increase of \$2.30 an hour—about \$4,800 a year.

In 1965 a retiring Steelworker with 40 year's service was entitled to a basic pension of \$100 per month in addition to Social Security. Employees retiring after August 1, 1977 with 40 year's service will enjoy basic pensions of \$552.50 per month,



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with an automatic \$40 increase two years later, in addition to Social Security. That is a 450% increase in pensions. We have won many other benefits in these 12 years. As you will see in the enclosed booklet, in these 1977 negotiations we have finally laid a foundation on which to build a program of full job and income security for all Steelworkers.

The companies have not voluntarily given us a penny during these 12 years. The companies have known that our members will strike, or go to arbitration, if necessary, to win fair contracts. Our Union struck the steel industry in 1946, 1950, 1952, 1956, and for four months in 1959. My fellow officers and I were leaders in each of those strikes.

In view of that record I am proud that our members in basic steel have achieved the improvements of the past 12 years without a single family losing a single paycheck because of a strike. Our progress has been the result of hard bargaining, persuasion, debate, and negotiations based on facts, not bombast and saber rattling.

In 1965, 1968, and 1971 many of our members did suffer through long layoffs, however, because steel customers stockpiled and imported steel—just in case we did strike. To prevent layoffs caused by stockpiling, we negotiated an Experimental Negotiating Agreement (ENA) in 1973, under which we agreed not to call an industry-wide strike—and the companies, for the first time in any major American industry, agreed to let an impartial panel decide wage and other issues if we couldn't resolve them in negotiations. By substituting the arbitration system of ENA for the industry-wide strikes of an earlier day, we have tried to find a more constructive way of resolving our disputes with the steel companies.

The ENA was accepted by vote of the Local Union Presidents in the Basic Steel Industry Conference for use in 1974 negotiations, again for 1977, and has now been approved for use in 1980. This means that in contrast to the five industry-wide strikes between 1946 and 1960, our members will have enjoyed, at the end of this Agreement, 20 years of progress without an industry-wide steel strike. Furthermore, in 1974 and 1977 there have been no layoffs due to stockpiling before contract expirations.

Some members of our Union and some steel company executives, are dissatisfied with the ENA. They want to return to the economic jungle of the 1930's. In spite of the record, they argue that the rules of reason and logic simply won't work in labor negotiations. The crucial test of any labor negotiations is the effect on the standard of living of the members. To help you make a judgment on the effect of ENA, we have made a comparison of the wage rates and annual earnings of the average member in basic steel at three points. These dates are:

July, 1965—just before the 1965 contract was negotiated.

March, 1974—just before the first negotiations under ENA.

May, 1980—the end of this new contract.

Cost of living adjustments are included, assuming a 6% rate of inflation for the next three years. Incentive earnings, overtime, and premium pay for shift work, holidays, and Sundays are *not* included. These items would raise the earnings shown below considerably. Here are the results:

Job Class 10
Non-Incentive Wages, Including COLA

Time	Hourly Rate	Straight Time Annual Earnings	Increase from 1965	Increase from 1974
July, 1965	\$2.845	\$ 5,918		
March, 1974	\$4.809	\$10,003	\$ 4,085	
May, 1980	\$8.80	\$18,304	\$12,386	\$8,301

As you can see, two-thirds of the total increase will have occurred in the six years of ENA contracts. Even after discounting for increases in the cost of living, the record shows a 23% increase in real wages in the six years under ENA—compared to a 12% increase in real wages in the nine years before ENA.

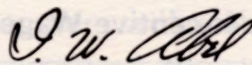
Of course, no amount of facts will convince some critics. There are radical political groups on both the far left and the far right that want to see ENA wiped out. They think unions and management should engage in “class struggle” instead of collective bargaining. They would like to hold our coats while we fight with the steel companies—until either the companies, or the Union, or both, are destroyed. Then they hope to pick up the pieces.

Back in the 1930's these same groups told us we shouldn't sign any contracts with the steel companies. They urged us to engage in daily conflict and struggle, but we ignored them. Now they are trying to convince, or confuse, a new generation of Steelworkers. Whether or not they succeed in the 1970's and 1980's will depend, in part, on you. If you are an active member you will be one of those whose opinions become Union policy.

The active members will adopt resolutions and elect delegates to International Conventions. They will elect local union and International officers to represent them in negotiations. By these means they will determine the future of our Union, on ENA and other subjects. If you are not an active member you will be deciding to let others govern your Union, whether you agree with their opinions or not.

I have served our Union for the past 40 years as a Local Union Officer, Staff Representative, District Director, Secretary-Treasurer, and the last 12 years as your President. For this privilege I am deeply grateful. In leaving I extend to each of you and to your families my sincere best wishes in the years to come.

Sincerely yours,



President

P. S. Enclosed with this letter, for your information, you will find the roll call vote of each Local Union President and International Executive Board member who voted on the 1977 Basic Steel Settlement. Those whose names are not shown were not present.